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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON (SPOKANE/YAKIMA)

IN RE:

EASTERDAY RANCHES, INC.,
et al.,

Debtors.¹

CASE NO. 21-00141-WLH11
(Jointly Administered)

**RABO'S PROTECTIVE, LIMITED
OBJECTION TO THE DEBTORS'
MOTION TO APPROVE GLOBAL
TERM SHEET**

¹ The Debtors along with their case numbers are as follows: Easterday Ranches, Inc. (21-00141) and Easterday Farms, a Washington general partnership (21-00176).

OBJECTION TO MOTION TO
APPROVE GLOBAL TERM
SHEET

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1 Rabo AgriFinance LLC (“Rabo”), through counsel, respectfully files this
2 protective limited objection to the Debtors’ Motion to Approval Global Term Sheet
3 (the “Approval Motion”). [Dkt. 1543]
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5 The Approval Motion generally describes the terms and provisions of a
6 Term Sheet for a global settlement between the Debtors, the Easterday Family,
7 various entities owned by the Easterday Family (including 3E, Produce, and
8 Dairy), both Committees, Tyson and Segale. If approved, the provisions of the
9 Terms Sheet will be incorporated into a Joint Plan, with the contemplation being
10 that the Joint Plan will be confirmed and go effective by July 31, 2022. Under the
11 contemplated Joint Plan, general unsecured creditors of Easterday Farms would
12 receive 100% of their Allowed Claims as of the Petition Date, but no post-petition
13 interest or attorneys’ fees.
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17 Among other things, the Approval Motion and the Term Sheet contain some
18 cryptic references as to the releases that would be provided to the Easterday
19 Family. On page 17 of 88, for example, the Approval Motion states that the
20 Easterday Family and “all related family members, entities in which the Easterday
21 Family or their related family members own an interest,” and their affiliates,
22 agents, professionals, officers and directors and Representatives “shall be released
23 of all claims from the Farms Estate, the Ranches Estate, *and each creditor of each*
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1 *estate to the extent allowed by law.*” (Emphasis supplied). That same page also
2 states that “Specific release of those parties with direct contractual agreements with
3 the Easterday Family et al. in connection with Debtors will need to be provided if
4 they are not paid in full. For the avoidance of doubt, specific releases will include .
5 . . (b) release of any and all claims by parties in the attached Exhibit A.” Exhibit A
6 to the Term Sheet, in turn, provides that “[t]he Easterday Family, et al., requires
7 direct release from” a number of listed parties, including “Rabo AgriFinance
8 LLC.”
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11 It is unclear whether the Term Sheet and Approval Motion are
12 contemplating some sort of non-consensual third-party releases of the Easterday
13 Family or if, instead, they are simply saying that Easterday Family hopes to get
14 consensual releases from parties, such as Rabo, with whom they have direct
15 contractual relationships. As set forth in Rabo’s filed proof of claim in the Farms
16 Case [Claim 90-4], Rabo’s claim arises under a written contract under which both
17 Easterday Farms and Cody Easterday are contractually obligated. Further, Rabo
18 asserts that its claim is secured by a mortgage on that portion of the “Pasco Onion
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1 Shed Property,” specifically Parcel A, that is titled in the names of Gale Easteday,
2 Karen Easterday, Cody Easterday, Debby Easterday and Jody Easterday.²
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4 Rabo objects to the Term Sheet and the Approval Motion to the extent they
5 surreptitiously seek to bind or impose upon Rabo a non-consensual third-party
6 release of the Easterday Family, and a commensurate non-consensual obligation to
7 release the 2009 Mortgage that Rabo believes secures its claim, upon confirmation
8 of the contemplated Plan described in the Term Sheet. Rabo is not a party to the
9 Term Sheet, and its approval should not bind Rabo in any way, either expressly or
10 by implication, to its terms. It also should not limit Rabo’s right to raise and
11 prosecute any objections it believes it has to the Disclosure Statement that is to be
12 filed or to confirmation of the contemplated Plan, including any objections
13 focusing on any release provisions of that contemplated Plan.
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17 Simply put, as of this time Rabo has not agreed to provide any release to the
18 Easterday Family, either as part of a confirmed Plan or otherwise. And the Term
19 Sheet and Approval Motion cannot accomplish such a result by stealth or
20 subterfuge. Therefore, Rabo requests that any order approving the Term Sheet and
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22 _____
23 ² The Pasco Onion Shed Property is the property that is the subject of the 3E
24 Adversary Proceeding. The Term Sheet provides that, upon the Effective Date of
25 the Plan, that adversary proceeding will be dismissed with prejudice.
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1 granting the Approval Motion make clear that the order does not modify, bind or
2 limit Rabo's rights in any way with respect to any non-debtors that Rabo believes
3 are also obligated to Rabo, or any non-debtor property that Rabo believes secures
4 its claims.
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6 DATED this 18th day of April, 2022.
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11 **-and-**

12 RAY QUINNEY & NEBEKER P.C.
13

14 /s/ Michael R. Johnson

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